

Message Text

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PAGE 01 REYKJA 00824 01 OF 02 161856Z

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MBFR-03 SAJ-01 H-03 NSC-10 SS-15 ACDA-19 OMB-01 RSR-01

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TO SECSTATE WASHDC PRIORITY 3796

INFO USMISSION NATO

CINCLANT PRIORITY

COMICEDEFOR

AMEMBASSY LONDON

AMEMBASSY BONN

DEFENSE/ISA

AMEMBASSY COPENHAGEN

AMEMBASSY OSLO

AMEMBASSY STOCKHOLM

S E C R E T SECTION 1 OF 2 REYKJAVIK 0824

C O R R E C T E D C O P Y (PARAGRAPH 4.)

E.O. 11652: GDS

TAGS: MARR IC NATO

SUBJECT: IDF ARTICLE VII NEGOTIATIONS

1. SUMMARY. IN MEETING BETWEEN AMB AND FONMIN AGUSTSSON
JULY 13, FONMIN OUTLINED OBJECTIVES OF GOI IN FORTHCOMING ART
VII NEGOTIATIONS AND HIS VIEWS OF HOW NEGOTIATIONS SHOUL BE
UNDERTAKEN. HE IDENTIFIED MAJOR OBJECTIVE AS ULTIMATE REMOVAL
OF THE BASE. HOWEVER, REALISTICALLY HE DOUBTED NATO OR USG
WOULD AGREE THIS CAN BE ACCOMPLISHED IN FORESEEABLE FUTURE AND
RATHER THAN CREATE AN IMMEDIATE IMPASSE IS WILLING TO PROCEED
ON FOLLOWING AS INTERIM OBJECTIVES: (A) REMOVAL OF AS MANY
IDF FUNCTIONS AS POSSIBLE FROM ICELAND'S SOIL WITHOUT

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PAGE 02 REYKJA 00824 01 OF 02 161856Z

IMPAIRING EFFECTIVENESS OF IDF; (B) REDUCTION OF MILITARY

MANPOWER BY AT LEAST ONE-THIRD FROM THE PRESENT NUMBER OF 3300 OVER A TIME PERIOD TO BE NEGOTIATED BUT NOT TO EXCEED FIVE YEARS THROUGH REMOVAL OF FUNCTIONS AND BY SUBSTITUTION OF CIVILIANS WHICH INITIALLY CAN BE COMBINATION OF US AND ICELANDIC CIVILIANS BUT EVENTUALLY TOTAL ICELANDIZATION. FORMAL GOVT-TO-GOVT NEGOTIATIONS TO COMMENCE LATE SEPTEMBER, BUT INFORMAL TALKS BETWEEN EMB AND FOREIGN MINISTRY TO RESUME AUGUST. END SUMMARY.

2. OUR CONVERSATION WHICH LASTED ABOUT AN HOUR STARTED WITH FONMIN PREDICTING DIRE CONSEQUENCES FOR IDF RETENTION IF BRITISH FRIGATES REMAINED IN "ICELAND WATERS" BY TIME OFFICIAL NEGOTIATIONS ON ART VII COMMENCED. HE REMARKED PUBLIC OPINION CONTINUES TO MOUNT AGAINST NATO AND IDF BECAUSE OF BRITISH "INVASION" AND, DESPITE PERSONAL FEELINGS OF HIMSELF AND PRIME MINISTER THAT THE ISSUES ARE SEPARATE, THEIR ACTIONS IN THE NEGOTIATIONS HAVE TO BE GOVERNED BY PUBLIC OPINION. I SUGGESTED TO FONMIN, AS I HAVE DONE MANY TIMES TO HIM AND PRIME MINISTER, THAT THE TWO OF THEM WERE MISREADING PUBLIC OPINION AND WERE RESPONSIBLE FOR SOME OF THE PUBLIC'S HYSTERIA BECAUSE OF THE ANTI-NATO AND ANTI-IDF STATEMENTS THEY MADE ON RADIO AND TV THE PAST TWO MONTHS. I SUGGESTED IT WAS TIME HE AND PRIMIN TRIED TO CALM THE SITUATION SO THAT THE IDF ISSUE COULD BE STUDIED ON ITS OWN MERITS. HE SURPRISINGLY THEN REMARKED THAT IT WAS THEIR INTENTION TO DO EXACTLY THAT AND I WOULD SEE EVIDENCE OF THIS EFFORT SOON.

3. WE THEN PROCEEDED TO TALK ABOUT THE PURPOSE OF MY CALL ON THE FONMIN, NAMELY THE NEXT STEPS IN THE ART VII PROCESS. FONMIN SUGGESTED FORMAL NEGOTIATIONS SHOULD COMMENCE WHEN NATO REPORT IS RECEIVED WHICH HE SAID WOULD BE END SEPTEMBER. HE WAS PLEASED NATO WAS NOT RUSHING REPORT BECAUSE IT MEANT NATO WOULD BE GIVING MORE SERIOUS CONSIDERATION TO PROBLEM THAN WAS DONE IN DEC 1971 WHEN GOI LAST ASKED NATO FOR COMMENTS. SHOULD NATO'S REPORT BE DELAYED BEYOND OCTOBER, HE WOULD THEN WANT TO COMMENCE OFFICIAL TALKS WITHOUT THE REPORT (PRESUMABLY BEFORE ALTHING RETURNS FOR ITS FALL SESSION).

4. FONMIN IS HIRING AN OUTSIDE INVESTIGATOR NAMED SIGURUR GIZURARSON TO LOOK INTO THE OPERATIONS OF THE IDF AND TO

SECRET

SECRET

PAGE 03 REYKJA 00824 01 OF 02 161856Z

RECOMMEND TO HIM WHICH FUNCTIONS CAN BE DEPLOYED AND WHICH FUNCTIONS REMAINING CAN BE ICELANDIZED. WHEN I ASKED WHAT BACKGROUND HE HAD IN MILITARY MATTERS, HE REPLIED HE HAD CONFIDENCE IN GIZURARSON AND THAT HE WAS HIS SECOND COUSIN. (COMMENT: OUR INITIAL INVESTIGATION IDENTIFIES GIZURARSON WA AS AN ICELANDIC LAWYER, BELONGING TO THE CONSERVATIVE WING OF THE PROGRESSIVE PARTY.

5. FONMIN SAID KEY TO SUCCESSFUL OUTCOME OF NEGOTIATIONS IS SUBSTANTIAL REDUCTION OF MILITARY MANPOWER. FOR THE FIRST TIME HE THEN VENTURED A DEFINITION OF "SUBSTANTIAL". WHEN I EXPRESSED SHOCK AND SURPRISE AT SO LARGE A FIGURE (ONE-THIRD OF 3300), BEFORE A DETERMINATION IS MADE BY STUDY AND WHEN I POINTED OUT THAT THERE WAS A CONTRADICTION BETWEEN A PRE-DETERMINED FIGURE AND HIS STATEMENT THAT IT WAS NOT HIS INTENTION TO IMPAIR THE BASIC MISSION OF THE IDF, HE REPLIED THAT THE CABINET AND THE ALTHING WERE DIVIDED ON THE CONTINUED NEED FOR THE BASE AND THAT A LARGE FIGURE WAS A POLITICAL NECESSITY. THIS THEN PROVOKED A LONG DISCOURSE ON MY PART ON THE NEED FOR COHESION IN NATO DURING MBFR NEGOTIATIONS, STRATEGIC IMPORTANCE OF NORTH ATLANTIC, ALSO POINTING OUT THAT ICELAND AS WELL AS OTHER NATO COUNTRIES HAVE PROSPERED BECAUSE NATO HAS KEPT PEACE AND STABILITY IN EUROPE. HE REMINDED ME THAT EVEN THE PRO-US OPPOSITION PARTIES HAVE CALLED FOR SUBSTANTIAL REDUCTION OF MILITARY MANPOWER AND SUBSTITUTION BY ICELANDI-ZATION DIFFERING PERHAPS ONLY IN NUMBERS. HE SAID WE COULD SPREAD THE REDUCTION OVER A FIVE-YEAR PERIOD, BUT THE GREATER PROPORTION REDUCTION WOULD HAVE TO TAKE PLACE DURING THE FIRST TWO OR THREE YEARS AFTER A NEW AGREEMENT WAS CONCLUDED.

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PAGE 01 REYKJA 00824 02 OF 02 170210Z

64/42

ACTION EUR-25

INFO OCT-01 ADP-00 CIAE-00 PM-07 INR-10 L-03 NEA-10

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S E C R E T SECTION 2 OF 2 REYKJAVIK 0824

C O R R E C T E D C O P Y (ADD CAPTION NOFORN)

NOFORN

6. IN ADDITION TO ICELANDIZATION AND US MILITARY MANPOWER REDUCTION, FONMIN SAID IT WAS AN ABSOLUTE NECESSITY THAT THE REMAINING MILITARY PERSONNEL BE HOUSED ON THE BASE AND OFF THE LOCAL ECONOMY. HE ALSO CALLED FOR THE EVENTUAL SUBSTITUTION OF SINGLE PERSONNEL WITH MARRIED PERSONNEL WITH FAMILIES. IN REPLY TO MY QUESTION, HE ADMITTED HE COULD NOT CITE ANY SERIOUS INCIDENTS HAVING OCCURRED IN THE PAST COUPLE OF YEARS INVOLVING SINGLE MILITARY PERSONNEL. (COMMENT: THESE TWO POINTS ARE PART OF THE SO-CALLED NON-COMPROMISABLE ITEMS MENTIONED LAST NOVEMBER AND IN JANUARY DURING THE FONMIN'S VISIT TO WASHINGTON.) THE FONMIN STATED HE EXPECTED THE US CIVILIANS ALSO TO LIVE ON THE BASE. I REMARKED THAT NO CIVILIAN OF ANY NATIONALITY WOULD BE WILLING TO BE PENNED IN BY FENCES THE WAY
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PAGE 02 REYKJA 00824 02 OF 02 170210Z

THE PRESENT MILITARY PERSONNEL ARE AND THAT IF ICELAND WERE TO PERSIST WITH THIS IT WOULD BE DAMAGING TO ICELAND'S IMAGE IN WORLD OPINION. HE AGREED TO RECONSIDER
THIS PTI TWHQ I TOOK THE OPPORTUNITY THEN TO AGAIN REQUEST THE REMOVAL OF THE UNIFORM AND CURFEW RESTRICTIONS ON MILITARY PERSONNEL, BUT WITHOUT SUCCESS. I TOLD FONMIN THIS WOULD BE PART OF OUR PACKAGE WHEN WE COMMENCED NEGOTIATIONS. I ALSO SUGGESTED TO THE FONMIN THAT WHILE THE USG STUDIES HIS DEMANDS, THE GOI SERIOUSLY THINK ABOUT WHAT ICELAND OWES NATO AND THE US AND TO THINK ABOUT WHETHER ICELANDERS CAN DISPENSE WITH THE PROTECTION THE BASE AFFORDS THEM. I SUGGESTED AN OBJECTIVE EVALUATION WOULD SHOW THE PRESENCE OF THE IDF HAS BEEN MUTUALLY BENEFICIAL AND ICELAND WILL CONTINUE TO NEED THE US. THE NEGOTIATIONS THEREFORE SHOULD BE TWO-WAY AND NOT JUST GIVE ON THE PART OF USG.

7. AT END OF THE MEETING, THE FONMIN REMARKED THAT MAGNUS KJARTANSSON (COMMUNIST MINISTER OF INDUSTRIES AND LEADER OF ANTI-BASE AND ANTI-NATO MOVEMENT) AND MAGNUS TORFI OLAFSSON (OLL MINISTER OF EDUCATION AND ANTI-BASE BUT FENCE SITTING ON NATO) CONTINUE TO PRESS FOR MEMBERSHIP ON THE ART VII NEGOTIATING TEAM. HE SAID HE AND PRIMIN CONTINUE TO RESIST THEIR DEMAND AND AT CABINET MTG JULY 16 ARE PREPARED TO SUGGEST AS COMPROMISE THAT THERE BE A "BACKGROUND CMTE" COMPOSED OF THE THREE COALITION GOVT PARTIES WHICH THE FONMIN WOULD KEEP INFORMED

AND WHICH COULD GIVE FONMIN ADVICE BUT WHICH WOULD NOT BE BINDING. I EXHORTED HIM TO CONTINUE TO RESIST A THREE-PARTY NEGOTIATING TEAM.

8. COMMENT: EVENTS APPEAR TO BE MORE FAVORABLE TO US THAN A MONTH AGO, AND WE SHOULD OF COURSE TAKE ADVANTAGE OF THE SITUATION. HOWEVER, IT BEHOOVES US ALSO TO BE WARY AND NOT MISCALCULATE. WE SHOULD CONTINUE TO PROCEED IN EARNEST WITH THE STUDIES FOR THE RETENTION OF THE BASE. THE MERCURIAL NATURE OF THE FONMIN AND THE PRIMEMIN ARE TOO WELL KNOWN TO US. THEIR ATTITUDE TOWARD THE BASE ISSUE CAN CHANGE MANY TIMES DURING THE ART VII PERIOD. THE CURRENT FLEXIBLE ATTITUDE ON THE PART OF THE PRIMIN AND FONMIN IS ATTRIBUTABLE PROBABLY MORE TO A RIFT THAT HAS ARISEN WITHIN THE COMMUNIST-DOMINATED PEOPLES' ALLIANCE IN THE LAST FORTNIGHT OVER BASE TACTICS RATHER THAN THE FONMIN AND PRIMIN SUDDENLY BECOMING COURAGEOUS STATESMEN.

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PAGE 03 REYKJA 00824 02 OF 02 170210Z

9. SOURCES CONSIDERED RELIABLE HAVE ADVISED THIS EMB THAT A DISAGREEMENT HAS ARISEN BETWEEN THE TWO COMMUNIST MINISTERS. LUDVIK JOSEFSSON IS REPORTED TO BELIEVE IT IS MORE IMPORTANT TO KEEP THE COALITION GOVT IN OFFICE A FULL FOUR YEARS THAN TO RISK A POSSIBLE DOWNFALL OVER THE IDF ISSUE. MAGNUS KJARTANSSON THINKS THE CONTRARY. HE FEELS THE PEOPLE'S ALLIANCE WOULD LOSE ITS CREDIBILITY IF IT DEVIATED FROM ITS ANNOUNCED POLICY OF FORCING THE BASE OUT AND FEELS IT SHOULD MOVE AHEAD EVEN AT THE RISK OF CAUSING THE GOVT TO FALL. KJARTANSSON APPARENTLY BELIEVES THAT WITH CONCERTED PRESSURE ON THE PUBLIC AND ON THE ALTHING MEMBERS, OPINION CAN SWING AGAINST THE BASE. HE DISAGREES WITH JOSEFSSON THAT A RISK EXISTS. BOTH MINISTERS REPORTEDLY ARE IN AGREEMENT TO INCREASE THEIR PSYCHOLOGICAL WARFARE AGAINST THE BASE, AND BOTH APPARENTLY HAVE AGREED TO TRY TO DISRUPT THE NEGOTIATIONS. BECAUSE OF THE CONTINUED PRESENCE OF THE BRITISH FRIGATES, THE COMMUNIST MINISTERS ARE STILL IN DE FACTO CONTROL OF THE GOVERNMENT. WE SHOULD NOT LOSE SIGHT OF THE FACT THAT, IF NO AGREEMENT BETWEEN THE US AND ICELAND IS ON THE HORIZON AFTER THE ART VII SIX-MONTH PERIOD ENDS, ICELAND CAN UNILATERALLY ABROGATE THE DEFENSE AGREEMENT ANYTIME THEREAFTER. WE ARE NOT DEALING WITH LOGICAL PEOPLE.

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